G. R. S. IX-5]

*Previous references.*

1874
~~191~~.
( S.R. )

SR File No. 9 of 1874

Serial No. 1

*Later references.*

# GENERAL AND REVENUE SECRETARIAT.

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*Serial No.* 1

Major ~~Part~~ B for October 1874.

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SUBJECT.

Abolition of certain distilleries in the Nagar Division

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Inclosed.

[illegible]

W D 88—GPB—50,000—24-7-16

Recen

Fm

SR
9 of 1874

The Commr

Nagar Dn

of 12th Oct 1874

No 5063
R 87

13/Oct

Recd 3 pm
15/10/74

Abolition of certain
Fisheries in the
Nagar Dn. - Comng
Chief Commrs instns
Rules on the subject

July/74 from 68 Dy. Com.
Nagar Division.—
" No. 219/84 Dy. 3rd Aug.
fr: —do.—
" " 221/85 Dy 5th —do—
—do—
" " 249/109 Dy. 15th —o—
do— do—

order thereon.

The first main question mooted in this correspondence is the abolition of the out-lying distilleries at the places noted in the margin.

The Chf. Comr. on a careful consideration of the subject

Plan

G.5063 Dy 12 Oct /74
R 87.

1. Kumbakonam.
2. Sagur.
3. Sirakoppa
4. Thanjavur.

entirely concurs
in the grounds
on which such
abolition is advocated
by the Off. Comm.
and is satisfied
that the measure
is a proper and
desirable one,
but it will be
convenient that
its adoption be
deferred till the
end of the current
financial year
602 - 31st March
1875. & admit of
ample time being
allowed to the distillers
concerned to make

as are needed &
provide for their
own interests.
On and from
that date, the
Sudden Distilleries
at Kurseong and
Sialeopa
Thaikhola will be
closed, their places
being supplied by
Wholesale shops
from which liquor
will be issued to the
retail vendors.
The abolition of
the Sudden Distillery
at Sagur will
however remain
in abeyance for

the President, and
the Officer in charge
of that Sub-division
will make it his
special duty to see
that the Sudden
Distillery Rules
are duly enforced
in that Distillery
and that no
smuggling there:
from is permitted.

On the abolition
of the Sudden Distilleries
named above, the
distillers holding
stills in them will
be permitted to
transfer them to
the Sudden Distilleries

at Tullibody,
Tullibody Cambus
and Chirtuldroog
respectively - and
any enlargement
of the Sudder Distillery
Enclosures at
those places that
may in consequence
be necessary, will
be provided at
the cost of Govt.,
the interior buildings
required by the
Distillers however being
constructed at
their own charge.
2. The Offg. Comr
next recommends
the continuance

of the remission on
the Still Head duty
of 2 ans: in the
rupee authorized
in the order on
this head dated
25th Nov: 1867, No. 4804/58

It appears to the
Chf. Comr. that the
establishment of
Whole-sale shops
at the places where
the abolished
Sudder Distilleries
have hitherto been
located, is necessary
& should be encouraged
to ensure a due
supply of spirits being

But the Chf. Comr.
considers that the
grant of this remis-
sion is open to much
abuse. The distiller
in his capacity of
a Whole-sale vendor
may claim the
remission in the
duty upon the
whole quantity
of liquor distilled
by him in a day,
which he may,
contrive to
remove from the
distillery above

stored there for
issue as may be
required to retail
vendors. But
Whole-sale shops
are not needed in
the neighbourhood
existing
of Sudder Distilleries
and should be
strictly limited
to places at a
distance therefrom
where they are
clearly required
for the above
purpose.

Where such
shops are sanc-
tioned, the remission
of 2 ans: in the rupee

while in effect reducing
the duty to a normal
rate of Ans: 14 the gallon
he may by his advantages
defeat the object of
the remission which
was obviously
intended to recoup
vendors outside
the distillery from
for possible loss
from breakage &c.

The Chf. Comr understands
that this remission is
granted in the Nagar
& the Ashtagram Divns
only & not in Mundydroog
in which the Sudder
Distillery system
works well and no
inconvenience is felt nor
complaints made of

continue to
~~remitted~~ concerned
Head duty will be on all quantities in excess of 20 gallons taken by them from the Sudden distillery, such remission being subject to revision hereafter, if thought necessary by Govt.

Whole-sale vendors should be required to take out a license (of which a draft form will be submitted for approval) by which

approach to the out-lying stations in the districts. Taken into consideration therefore the large profits derived by distillers as well as the circumstance of their being free to sell liquor at their own rates, the Chf. Comrs. does not deem it necessary or desirable that the remission of duty in question should be continued any longer. It should therefore be considered as finally withdrawn & the full rate of duty recently sanctioned enforced in future.

they shall be bound always to keep on hand a minimum quantity of spirits for sale by retail Vendors at a fixed rate, which shall not exceed 2 ans: per gallon on the price at which the same are issued from the Secdee Distillery. The license fee for the whole-sale vend of spirits will for the present be quarter Rs. 2 per ~~gallon~~.

3. The 3rd proposal of the Offg. Comr. is that

the old rates of
head duty in the
Nagar Division may
be continued till
the end of the current
year, and the standard
of strength - viz
from 25° & 30° below
proof - heretofore
in force, retained
in the Sudder
distilleries of the
said Division.

The grounds on
which the retention
of the old rates
of duty is advocated
by the Offr. Comd-
ers no', in Sir K.
Meade's opinion,

as there is no real
connection between
the rate of still
head duty and the
sale of retail licens
retail vendors bein
in no way tied
down to any
legal scale of
prices. But to
prevent any ground
for complaint to
the retail vendors
in Nagar who have
bought their licens
to sanction at
enhanced rates
re enforcement

of the new Still hra
Duty in that Division
will be deferred
till 1st January/75
when it will come
into full operation.

The standard of
proof fixed in the
order of 21st March
1874, No. 6953/62 was
adopted after due
consideration and
no departure from
it can be authorized

4. With regard
to the Offr. Comm.rs'
proposal to abolish
the system which
obtains in the Nagar

Division of putting up
the licenses for
the retail vend of
arrack & compatibles
and in lieu thereof
& issue them, as in
Bangalore, merely
for the ordinary
license fees, the
Chf. Comr. is not
prepared to make
any change in the
existing practice on
this head, and it
will not be disturbed.
Licenses for the
wholesale vend
of arrack should,
however, be issued
only to selected

completion.

5. The above-
orders dispose of
the main points
~~submitted~~ raised in the
correspondence
under review, but
there are items
incidentally referred
& that require
notice here.

6. The fears ex-
pressed by the Dy.
Comr. of Shimoga
that
of the adoption of the
measures under
consideration
(may result
resulting in encouraging
(1) the practice of

by individuals, an
even retail vendor
from the adjoining
Districts of the
Madras Presidency
and (2) the illicit
manufacture of
spirit from rice
within his district
for local consump
-tion, must be
adequately guarded
against by more
efficient and
active measures
to prevent such
breaches of the
Abkhary Regulations
in force in the
province. The

As this subject
a separate order
is under issue

comparative cheap-
ness of liquor across
the frontier may
and no doubt will
tempt the more
ryots residing near
the frontier to cross
it and drink at
the shops on the
other side, and for
this the only possible
remedy appears to
lie in the adoption
of a mutual arrange-
ment for the suppression
of all liquor shops
on either side
within two miles
of the frontier. The
Govt. however will

be so good as to subm
his views on this
point.

But the attempted
smuggling of liquor
across the frontier
and its illicit manu
facture within
Mysore limits are
matters which must
be faced by the
Mysore revenue
officers, who are
responsible for the
suppression of such
illegal acts and
who possess ample
powers to effect
that object, ~~and~~
~~the Govt. of the Dom~~

will at once take
into consideration
and report what
increase of the
Abkary establish-
ment or other measures
are in his opinion
necessary & provide
therefor.

As regards the retail
vendors, a proper
supervision of their
shops & business
would render it
impossible for them
to practise successfully
any extensive frauds
on the revenue of the
nature described,

without certain
detection, and it
is the duty of Dy.
Comrs to satisfy
themselves that
such supervision
is adequately exer
:cised.

7. The remarks
of the Dy. Comr of
Shimoga appear
to imply that he
regards the duties
of Dy. Comrs and
Amildars in con:
:nection with the
Sudder Distillerie
at their Head
Quarters, as of a
somewhat perfunc

perfunctory and
irresponsible
character; and it
seems to be necessary
therefore to state
here distinctly
that such is by
no means the case
and that it is the
special duty of these
officers to keep
at all times a close
and watchful
eye on the manage-
ment and pro-
ceedings of these
Institutions, and
- take constant
measures for the

detection of any
evasion of the rules
in force, and to
satisfy themselves
that the latter are
duly acted up to.
The subject is
one of very high
importance, and
the Govt. expects
that every Dy.
Comr. will exert
himself to ensure
a strict adherence
to the Sudder
Distillery Regulations
The Supervising
establishment
is not, it has been

managed, as efficient
and trustworthy
as it ought to be,
and a general
revision of it
may be necessary;
but however this
may be, it seems
to Sir Richard
made that a very
grave reflection
on District Officers
involved in the
opinion broached
by the Dr. Coms-
of Shimoga
that there can be
no greater

control over the
management of a
Sudden Distillery
at District Head
Quarters than over
that of one in an
outlying Taluka;
and if such an
impression obtains
in the Shimoga
District, the Chf.
Comr. must beg
that Lt. Col. Bruce
will at once take
the most active
steps for its removal
Where the situation
of the Sudden Distil
: bery renders such

District Officer
difficult and un:
: certain the question
of its removal
to a more convenient
site for this purpose
should be taken
into consideration.
for the Cuf. Cons. will
on no account
suffer the evasion
of this important
duty of watchful
supervision on
any score.

Very respt

Above
for
approval

Send on
Secretariat
and Brief
letter

To, The Cons. Madras
" Dy. Cons. Shemoga
" Cons. Mundy.a

Off. Secretary

From the Officiating Commissioner of the Nagar Division, To the Officiating Secretary to the Chief Commissioner of Mysore, General Department, Genl. No. 184—R. 68, dated Shimoga, 18th July 1874.

I have the honor to report for the information of the Chief Commissioner that my attention having been drawn to the fluctuating character of the realizations from still-head duty in distilleries other than those in the Head Quarter Towns of Districts, I called upon the Deputy Commissioners to submit their opinion as to the advisability or otherwise of abolishing the outlying distilleries and substituting in lieu thereof wholesale shops, and copies of their replies are herewith forwarded.

2. The following statement shews the realizations in each of the distilleries existing in the Division from the commencement of their establishment, together with the percentage of the cost of establishment to the average revenue.

| District. | No. | Place where the Distillery is established. | Revenue for— 1863—64 | 1864—65. | 1865—66. | 1866—67. | 1867—68. | 1868—69. | 1869—70. | 1870—71. | 1871—72. | 1872—73 | 1873—74. | Average realizations. | Scale of establishment. | Percentage to average realizations. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | Rs. | |
| Shimoga | 1. | Shimoga | 3,069 | 12,873 0 0 | 13,162 0 0 | 14,188 0 0 | 14,057 0 0 | 14,828 0 0 | 17,030 0 0 | 16,928 0 0 | 16,283 0 0 | 20,181 0 0 | 21,600 7 11 | 14,926 15 3 | 1,309 | 8·7 |
| | 2. | Siralkoppa | ... | ... | 4,974 0 0 | 5,736 0 0 | 5,261 0 0 | 4,281 0 0 | 4,610 0 0 | 5,603 0 0 | 4,316 0 0 | 4,985 0 0 | 5,801 12 0 | 5,063 1 4 | 1,309 | 25·8 |
| | 3. | Ságar | ... | ... | ... | 2,506 0 0 | 4,057 0 0 | 3,649 0 0 | 3,730 0 0 | 4,662 0 0 | 5,089 0 0 | 6,204 0 0 | 5,888 8 0 | 4,473 3 0 | 1,309 | 29·2 |
| Chikmagalur | 4. | Chikmagalur | ... | 20,962 0 0 | 15,438 0 0 | 15,240 0 0 | 16,372 0 0 | 16,132 0 0 | 16,154 0 0 | 16,151 0 0 | 14,648 0 0 | 15,934 0 0 | 21,960 6 4 | 16,899 3 0 | 1,309 | 7·7 |
| | 5. | Tarikere | ... | 2,260 0 0 | 3,339 0 0 | 3,881 0 0 | 2,760 0 0 | 2,849 0 0 | 2,844 0 0 | 2,963 0 0 | 3,053 0 0 | 3,804 0 0 | 3,312 8 0 | 3,112 8 9 | 1,309 | 42·03 |
| | 6. | Hariharpur | ... | ... | ... | ... | 3,536 0 0 | 3,898 0 0 | 4,341 0 0 | 3,282 0 0 | 2,961 0 0 | 3,053 0 0 | 3,107 0 0 | 3,461 2 3 | 906 | 26·2 |
| Chitaldroog | 7. | Chitaldroog | ... | 3,985 4 7 | 4,476 9 7 | 3,411 5 1 | 3,129 9 4 | 3,122 2 6 | 4,326 5 9 | 6,169 1 6 | 6,499 15 0 | 7,432 | 6,375 0 0 | 4,892 12 1 | 1,309 | 28·7 |
| | 8. | Harihar | ... | 3,326 0 0 | 3,715 0 0 | 3,788 0 0 | 4,847 0 0 | 3,448 0 0 | 3,428 0 0 | 3,512 0 0 | 3,143 0 0 | 4,812 | 4,833 0 0 | 3,885 3 2 | 1,152 | 29·7 |

3. The above statement shews that while the revenue in the distilleries at Head Quarters of Districts has as a rule been steadily increasing, those of the outlying have been varying, or have not increased in the same proportion as the former. The reasons which appear evident are, the absence of effectual supervision, and facilities for smuggling.

4. The percentage of establishment to the average realizations in each of the distilleries at the outstations speaks likewise unfavorably of them, and in some instances it stands at a high figure.

5. It will be seen from the report of the Deputy Commissioner of Chitaldroog, that the distillery at Harihar may be abolished without affecting the present revenue, provided the number of stills in the Chitaldroog distillery be increased so as to meet the increased demand.

6. The Kadur Deputy Commissioner suggests as regards the Tarikere distillery that, though the percentage of establishment to the average revenue is as high as 42·03, the number of stills may be experimentally increased, and that if this measure fail to produce favorable results, then to abolish the distillery. The force of this argument is not clear to me, inasmuch as it is not likely that the increase in the number of stills would result in an increased consumption of liquor, with the same limited demand as there is at present. Tarikere is situated on the main road from Shimoga to Bangalore, and as the taluks to which liquor is carried from this distillery are also on main roads, one or more wholesale shops established at Tarikere, and other places where necessary, and supplied with liquor from the distillery at Shimoga will, I think, amply meet the demand. The retail arrack vendors in the Kadur and Banavar Taluks, can draw their supplies from wholesale shops, which may be fixed at convenient places, and supplied from the distillery at Chikmagalur which is nearer to them.

As regards the Hariharpur distillery the Deputy Commissioner takes objection to its abolition on account of the undeveloped condition of the country lying within its range, in respect to communications. I concur in this view, and the breaking up of this distillery may be postponed for future consideration.

7. In the Shimoga District there are two outlying distilleries at Sâgar and Siralkoppa, and the Deputy Commissioner is not inclined to recommend the abolition of either of them on the ground that the greater part, if not the whole, of the revenue derived from them will be lost to Government, and is of opinion, that wholesale shops will not prove as successful as the distilleries. He further states that the abolition of the outlying distilleries would throw extra work on the establishment at the head quarter distillery, which therefore requires to be strengthened, that the license fees from retail shops have increased subsequent to the establishment of the distilleries proposed to be abolished, and that wholesale shops are not proper substitutes for distilleries, and the object of the former would be defeated. In support of the last assertion, it is stated that the quantity of liquor hitherto taken by retail vendors, direct from distilleries, was more than the supply they drew from wholesale shops, and that the distillers themselves, who under the rules are allowed to have retail shops, will supply them with liquor at prime cost. These arguments do not appear very clear or sound. It cannot be expected that people addicted to drinking will give it up, so as to cause any diminution in the revenues, because a distillery from which they were supplied with liquor is abolished. There will be both wholesale and retail dealers to meet the demand. On a rough calculation, the extra cost entailed by the carriage of liquor, including waste to distant parts, consequent upon the abolition of the outlying distilleries, would be about one anna per gallon. I have no fears such as are entertained by the Deputy Commissioner of Shimoga of smuggling on the part of wholesale and retail vendors, at least if officials perform their duty. It is true that villagers on the borders of Her Majesty's Territories may resort to liquor shops there for cheaper drink, but I believe this is done now. However this can affect but a small portion of the population, and might be remedied in part by a request to the Collectors concerned to throw back their arrack shops, so as not to be quite on the frontier. The extra work thrown on the distillery establishment consists only in that the Supervisor will be required to travel a greater area of country than hitherto on tours of inspection. There have been only four wholesale shops in this District, and distilleries situated near at hand must have been of course resorted to more freely than the wholesale shops.

The law of supply and demand would clearly apply to the case, and wholesale shops when once established will in course of time be found to answer all requirements.

8. I do not see that any difficulties for the carriage of liquor from Shimoga to the outlying taluks exist, save perhaps in the direction of Shikarpur, during the monsoons, and this part is also now being opened up. Moreover the duty on arrack has been lately increased from 1 to 2 rupees per gallon, and it is highly necessary that very careful supervision be exercised to check fraud, smuggling, and evasion of duty in outlying places, where, as has already been observed, the supervision is lax and loopholes for smuggling are great, whilst the temptations are now doubled by the increased rate of duty.

Added to the above it will be far better to have one set of instruments to test the quality of liquor, passing out of the distillery, than three sets for three distilleries, especially as Hydrometers are apt to get out of order and require to be carefully kept.

9. Under these circumstances, I beg to suggest that the four outlying distilleries above shewn—at Ságar and Siralkoppa in the Shimoga District—at Tarikere in Kadur, and at Harihar in Chitaldroog—may be abolished, and should the suggestion meet with the favorable consideration of the Chief Commissioner, measures will be taken to give effect to the abolition, from the close of the present monsoon season, which will be from 1st October next.

By the above proposal there will be a saving of Rs. 423 a month, which I propose to appropriate, though not actually required, towards the establishment of the Munsiffs' Courts in the Division.

10. Timely notice of the change if sanctioned will be required to admit of due arrangements being made beforehand, as to provision of casks and carriage. The present sadar distilleries at Shimoga and Chitaldroog are very indifferent buildings, with no proper enclosure wall, as contemplated by the sadar distillery system. The outlying distilleries are still worse in this respect. Improvements will thus have to be made and the places themselves enlarged to admit of the location of a greater number of distillers, but I apprehend that the cost to be incurred in consequence should fall on the distillers themselves and not on Government as hitherto, inasmuch as the system itself gives considerable profits to distillers, and there will be no lack of men to come forward to meet rateably the cost of a substantial wall and suitable buildings, the latter of which will be their own property.

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From the Offg. Deputy Commissioner, Shimoga District, To the Offg. Commissioner, Nagar Division, No. 83, dated 25th April 1874.

Your letter No. 975, dated 23rd February 1874, calling for opinion regarding the retention or otherwise of the distilleries at Siralkoppa and Ságar.

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In reply to the above, has the honor to submit a memo containing his opinion on the subject.

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Memorandum.

The Nagar Division Commissioner's letter No. 975, dated 17th February last, calling for opinion egarding the abolition of the Ságar and Siralkoppa distilleries in this District.

2. The fluctuating character of the revenue seems to have led to the proposal of abolishing the istilleries in places other than at Head Quarters, as it is believed that they facilitate the commission f fraud by distillers or their servants by their not being subject to the supervision of the District Officer. 'he high percentage of establishment charges, *viz.*, from Rs. 26, 35 to Rs. 30, 60 to the average realizaons in the distilleries at outstations seems to have also attracted the notice of the Commissioner. he objections anticipated by the Commissioner against the proposal are the difficulties that stand in ıe way of supplying the Malnad drinking-population with liquor. This is met by the remark in the ıtter that the measures of Government in this respect should tend towards repressing drunkenness, r in other words, the maximum of revenue should be realized from the least consumption of liquor. t is further added that in the absence of distilleries facilities may be afforded for the supply of liquor y the establishment of wholesale shops at outstations.

3. In giving a decided opinion in this matter, the points that will have to be considered are these—

1st. Whether the establishment of outlying distilleries facilitate the commission of fraud.

2nd. Whether the distilleries at outstations can be abolished without affecting the Government revenue.

3rd. Whether the establishment of wholesale shops will be sufficient to keep up the present revenue, or conversely whether it can afford to keep up a supply of liquor equal to the demand.

4th. Whether the principle of a maximum revenue from a maximum (minimum?) consumption can be held to be applicable to the question under consideration.

4. In every distillery the Supervisor directly manages the institution. The Amildar and the Deputy Commissioner are merely supervising Officers and cannot take any active part in their management; and therefore the distillery at Shimoga possesses in this respect no greater advantages than those at Ságar and Siralkoppa. The only circumstance that has led to an inference of fraud being drawn regarding the outlying distilleries is, as already observed, the steady increase in the revenue of Shimoga, and the fluctuating nature of the revenue of the outlying ones. It will be seen from the marginal particulars that the greater part of the consumption of arrack of the Shimoga sadar distillery was in the town and taluk of Shimoga where the drinking-population appears to have increased.

| 1872—73. | Rs. |
|---|---|
| Still head duty on arrack consumed in the Town of Shimoga ... | 7,815 |
| Do do in the Taluk of Shimoga ... | 6,051 |
| Do do supplied from the Shimoga distillery to other taluks ... | 6,315 |
| Total..... | 20,181 |

5. With regard to the second point it has to be observed that the Supervisor has besides managing the distillery, to move about the interior of his circle to trace out cases of illicit distillation, and imports from Her Majesty's Territories on which the Taluks of Honnali, Shikarpur, Sorab, Ságar, Nagar and Kavaledurga of this District border, and see that the conditions of licenses are enforced. This is an essential matter, and will require the services of a couple of Supervisors if the distilleries at Ságar and Siralkoppa are abolished. Their establishment will very nearly be as shewn in the *margin. An addition of another Mutsaddi and four peons will be necessary for Shimoga to aid the extra work that will probably have to be performed there, in case of its enlargement, and therefore the annual saving by the proposed measure will only amount to Rs. 1,020, a figure not so considerable as to lead to any idea of material change in this respect being entertained, more especially as the safety of Government revenue is likely to be endangered by it. The figures in the margin shew the revenue realized from license fee on shops which were taken up throughout the District previous to the establishment of the two outlying distilleries, and those subsequently opened, will prove that the establishment of distilleries at Siralkoppa and Ságar not only tended to the increase of shops, but also to the considerable increase of revenue under still-head duty, and license fee from Rs. 16,277—14—8 to Rs. 38,338—13—1.

| | | | | |
|---|---|---|---|---|
| * 2 Supervisors at 35 Rs. | ... | 70 | | |
| 4 Peons at 2 each at 6 Rs. | ... | 24 | | |
| Total..... | | 94 | | |

| License Fee. | | | | |
|---|---|---|---|---|
| For 1863—64 | ... | ... | 279 | 15 6 |
| „ 1864—65 | ... | ... | 3,404 | 9 8 |
| „ 1865—66 | ... | ... | 4,274 | 11 4 |
| „ 1866—67 | ... | ... | 4,173 | 0 0 |
| „ 1867—68 | ... | ... | 4,880 | 0 0 |
| „ 1868—69 | ... | ... | 5,020 | 0 0 |
| „ 1869—70 | ... | ... | 4,791 | 0 0 |
| „ 1870—71 | ... | ... | 4,492 | 0 0 |
| „ 1871—72 | ... | ... | 6,349 | 4 7 |
| „ 1872—73 | ... | ... | 6,667 | 5 1 |

6. The third point requires to be dealt with at some length. It does not appear that the wholesale shops will prove convenient substitutes for the distilleries.

There are at present wholesale shops at Holehonnur, Tirthahalli, Anantapur and Shikarpur. The former two receive their supply from the Shimoga sadar distillery, and the latter from those at Ságar and Siralkoppa respectively. To the wholesale shop at Tirthahalli during the year 1872—73, 1,594 gallons of arrack were supplied, while the retail shop-keepers of the Kavaledurga Taluk removed 1,814 gallons of arrack direct from the distillery. The retail dealers at Tirthahalli and other places in those parts, for whose convenience the wholesale shops are established, have conveyed almost all their supply from the Shimoga distillery where they can obtain spirit at cheaper rates than in the wholesale shop, in which the vendor of course charges his profit in addition to the carriage and wastage, &c. The present experience shews that retail vendors prefer to have their supply direct from the distillery rather than from the wholesale shop. Again, in the Anantapur shop, during the year 1873—74, which is not exceptional, only 588 gallons of arrack were supplied to the wholesale shops, while 1,525 gallons of arrack were supplied to the retail shops of that taluk alone direct from the sadar distillery. The same is the result regarding other wholesale shops in the Honnali and Shikarpur Taluks. It will thus be seen that the wholesale shops are not popular, and will not therefore realize that revenue which the distilleries have hitherto realized. It may not be out of place here to mention that under the sadar distillery rules the distillers are allowed to take up licenses for retail shops and consequently they will not look to the wholesale vendor for their supply of spirit, as they can afford to carry their own liquor at prime cost, thus the object of establishing the wholesale shops will be defeated, and the Government revenue will thereby suffer.

7. Lastly, the principle of maximum realization of revenue from the minimum consumption would appear to favor a decision against the present proposal. It is likely that Government is not prepared to forego a considerable portion of the present revenue under this head. In fact the proposal seems to aim at an increase of revenue. The increase of revenue in the Shimoga distillery is independent of the revenue derived at Ságar and Siralkoppa, and the abolition of the distilleries there will necessarily cause Government to lose a greater part, if not the whole, of the revenue now derived by it from the outlying distilleries. It has been shewn that the shops at or near to the places where distilleries are now established consume almost the whole of liquor produced, and in the event of the centre of manufacture being removed from Ságar and Siralkoppa, the shop keepers there notwithstanding every precaution, could with impunity import arrack. They can get at cheap rates from Her Majesty's Territories whose borders

are not very far from those places. There is every reason to believe that previous to the establishment of the outlying distilleries the greater part of the revenue derived from arrack was drained into the places bordering Her Majesty's countries in which the contract system is still in force. To strengthen the above argument a statement shewing the number of shops for which licenses were issued in all the taluks attached to the Ságar and Siralkoppa distilleries previous and subsequent to the establishment of the distilleries therein is appended. Moreover, under the present arrangement, the Supervisor not only exercises check upon illicit distillation, but also the distillers whose interests suffer by illicit distillation and importation of liquor from Her Majesty's Territory always watch such fraud and bring the same to notice, while under the proposed arrangement no such check can be expected. It may also be said that by cutting short of the free supply of liquor in the Malnad Taluks the illicit manufacture of rice-toddy will be greatly increased, although, it is presumed, that the practice of manufacturing this liquor has been greatly put a stop to.

See paras 3 and 9 of Dy. Commissioner's letter No. 188, dated 19th May 1874.

8. Under these circumstances, it is considered that the abolition of the Ságar and Siralkoppa distilleries is not advisable, unless the Government is prepared to forego a large portion of the revenue.

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From the Offg. Commissioner of the Nagar Division, To the Offg. Deputy Commissioner of the Shimoga District, No. 188, dated camp Kalhatti, 19th May 1874.

With reference to your docket No. 83, dated the 25th ultimo, submitting a memo containing your opinion against the proposed abolition of the distilleries in Siralkoppa and Ságar of the Shimoga District, I have honor to observe as follows.

2. In para 2 of the memo you start your arguments admitting the fluctuating character of the revenue from distilleries, but it is to be noticed that no explanation is given in any part of the memo as to the cause of this fluctuation.

3. In para 4 it is stated that the Amildars and the Dy. Commissioner are only supervising Officers without taking any active part in the management of the distilleries, and that the distillery at the Head Quarters of the District possesses no greater advantage in respect of supervision than the outlying distilleries. I must demur to this statement altogether. The Deputy Commissioner is responsible for the proper management of all the distilleries, and the Head Quarter one should be especially under his control. The outlying distilleries are more under the control of Amildars, and if anything wrong happened there I should certainly hold them responsible. These points should be fully borne in mind.

4. In the para above alluded to you have stated that "the greater part of the consumption of arrack of the Shimoga distillery was in the town and in taluk of Shimoga, where the drinking-population appears to have increased." From the Statement B, appended to the memo, it appears to me that the inferences drawn from the figures given therein are altogether wrong. The increase in the Shimoga distillery at least from the year 1868—69 is not due to increased consumption in the town of Shimoga, where the consumption has been stationary. There is an increase in the consumption in the taluk of Shimoga, but there should be a similar increase also as regards the taluks supplied by the outlying distilleries. In the case of shops of other taluks supplied from the Shimoga distillery there is a marked increase of upwards of 100 per cent. Taking *columns II and III of the Statement B together, the increase in Shimoga is apart from the town consumption. There is a similar increase in Ságar and there *ought* to be the same as regards Siralkoppa. I think this clearly points to fraud at Siralkoppa.

* II.—"To shops in Shimoga."
III.—"To shops in other taluks."

5. With reference to the 5th para of the memo, I request you will be good enough to report how many cases of illicit distillation, &c., have been traced out by the Supervisors of the outlying distilleries.

6. In the 6th and 7th paras of the memo, it is stated in order to shew the uselessness of the wholesale shops that the retail dealers at Tirthahalli have taken almost all their supply of liquor from the Shimoga distillery, and from this you have deduced that the object of establishing wholesale shops would be defeated. The fact that the retail vendors drew most of their supply from Shimoga distillery is not borne out by the statement, at least the statement is not quite explicit on that point. I am at a loss to understand how the object of establishing wholesale shops will be dafeated. Is it meant that if they can only then purchase from wholesale shops, the object of establishing them would fail? As an argument against the abolition of the Ságar and Siralkoppa distilleries it is stated that the Government would lose a greater part, if not the whole, revenue, now derived therefrom, which is independent of the revenue realized in Shimoga. This is to my mind untenable. It is further

remarked elsewhere in the 7th para of your memo, that despite all precaution the shop-keepers, if the above distilleries be disestablished, could import with impunity arrack from Her Majesty's country, where it is said they can get it at cheap rates, and it is added that under the present arrangement the distillers would co-operate with the Supervisors to keep illicit distillation and smuggling of arrack from beyond the borders. It may be that smuggling might go on to a small extent on the border, and probably this is the case now. But that shop-keepers at Ságar and Siralkoppa towns could smuggle is incredible. They would be daily selling, and they could be required to state where they got their liquor from. The argument that distillers would watch illicit distillation, &c., would equally apply to wholesale shop-keepers. They in lieu of distillers would be equally interested in watching such frauds, inasmuch as they would suffer thereby.

7. You apprehend in the concluding part of the 7th para of the memo that illicit manufacture of rice-toddy, it is supposed that "liquor" is meant which is presumed to have been discontinued to a great extent in the Malnad Taluks, would be again resorted to, in case the liquor supply becomes limited. This reason will have to be considered in all its bearings. It is a question whether the taste of the drinking-population for superior kinds of liquor would die out, especially when retail shops are close at hand to supply them, which are replenished by liquor brought from wholesale shops.

8. Your final opinion—that unless Government is prepared to forego a large portion of the revenue, or as you put it in another part of your memo "the greater part, if not the whole, of the revenue" now derived from the outlying taluks, their abolition is inadvisable—appears to me to be a too sweeping assertion. Surely people will still drink, and there will be both wholesale and retail dealers ready to meet the demand.

9. In conclusion, I have to observe that the main point in connection with the proposal under consideration, *viz.*, the difficulties of transport, has not been touched upon in your memo.

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From the Offg. Deputy Commissioner of the Shimoga District, To the Offg. Commissioner of the Nagar Division, No. 375, dated camp Channagiri, 4th July 1874.

With reference to your letter No. 188 of the 19th May, I have the honor to submit the further report called for regarding the advisability or otherwise of abolishing the outlying distilleries in the District.

2. To trace out the various causes that have led to the gradual and steady increase in the Shimoga distillery and the fluctuations adverted to regarding those at Siralkoppa and Ságar is a task of some difficulty.

3. The data at hand do not afford information under the heads "consumption in the town and taluk of Shimoga," and that in the outlying taluks till the year 1868—69. The accounts for that and the following years shew the following particulars :—

| Years. | Shimoga Town. | Shimoga Taluk. | Other Taluks. | Total. |
|---|---|---|---|---|
| | Gallons. | Gallons. | Gallons. | |
| 1868—69 ... | 7,426 | 4,438 | 2,964 | 14,828 |
| 1869—70 ... | 8,302 | 4,439 | 4,545 | 17,286 |
| 1870—71 ... | 6,247 | 6,325 | 4,422 | 16,994 |
| 1871—72 ... | 8,394 | 4,375 | 3,508 | 16,277 |
| 1872—73 ... | 7,809 | 6,051 | 6,588 | 20,448 |
| 1873—74 ... | 7,750 | 5,780 | 8,070 | 21,600 |

4. The only falling off is in the year 1870—71 and 1871—72; in the former it appears to have been owing to only one shop having been sanctioned in the town of Shimoga till September 1870, (*Vide* * correspondence marginally noted) and in the latter to the establishment of an experimental distillery at Tirthahalli for one year.

* From Supt., Nagar Division, No. 1747—R. 61, dated 21st July 1870.
To do do No. 310, dated 1st August 1870.

5. Next comes the Siralkoppa distillery. For ready reference its revenue is given below :—

| Years. | | | Amount. |
|---|---|---|---|
| 1867—68 | ... | ... | 5,261 |
| 1868—69 | ... | ... | 4,281 |
| 1869—70 | ... | ... | 4,610 |
| 1870—71 | ... | ... | 5,603 |
| 1871—72 | ... | ... | 4,316 |
| 1872—73 | ... | ... | 4,985 |

6. The realizations of 1868—69, 1869—70 and 1871—72 appear to call for explanation. It is difficult at this distance of time to trace out the various circumstances that led to the falling off in 1869—70 and the year previous. Some portion of it is probably owing to the restriction placed on retail vendors against obtaining liquor from any other source than wholesale shops, which seems to have been removed in August 1868. The falling off in 1871—72 appears however to be owing to some shops at Sorab which used to get arrack from Siralkoppa obtaining its supply from Ságar, as complaints to that effect were received in 1871, and a corresponding increase has accrued in the Ságar distillery.

7. With regard to the Ságar distillery it appears the falling off was also in the years 1868—69 and 1869—70, and is most probably due to the same circumstances which affected the revenue of Siralkoppa distillery during these years. Since 1869—70 the realizations in this distillery have certainly improved to a great extent in a financial point of view.

8. I see therefore no reason to ascribe the fluctuations to serious fraud on the part of distillery servants and distillers as is supposed by you.

9. I feel confident, you will, on a careful review of the statement given in the 3rd para of this letter, which is in fact a transcript from Statement B, appended to my memo originally submitted, observe that the inferences drawn regarding the consumption of arrack in the town and taluk of Shimoga are not wrong. It is true that in the year 1872—73 for the first time the supply of arrack to shops in taluks other than Shimoga has increased by nearly 100 per cent, but this does not affect my argument. For, making due allowance for the increase remarked upon, the proportions of consumption in the Shimoga Taluk and that in the others as shewn in the * margin are in my opinion sufficient to convince one of the conclusion that the greater part of arrack is consumed near the centre of production. The greater number of shops at Shikarpur, Sorab, and Ságar, and the considerable sums they realize to Government, further support this view.

* Town of Shimoga, 39 per cent.
Taluk of do 29 do.
Other Taluks 32 do.

10. From the subjoined statement it will also be seen that the fact that retail vendors drew most of their supplies from the distilleries direct is borne out by actual figures.

| Taluks. | Wholesale. | | Retail. | |
|---|---|---|---|---|
| | 1872—73. | 1873—74. | 1872—73. | 1873—74. |
| Shimoga ... ... ... | 2,181 | 1,097 | 18,266 | 12,433 |
| Honnali ... ... ... | 587 | ... | 2,144 | 3,471 |
| Shikarpur ... ... ... | 494 | ... | 3,185 | 4,242 |
| Anantapur ... ... ... | 1,022 | 642 | 967 | 1,617 |
| Kavaledurga ... ... ... | 1,594 | 2,698 | 1,817 | 1,932 |
| Total..... | 4,878 | 4,437 | 19,479 | 23,695 |

11. It is in the Taluk of Kavaledurga alone that the quantity of arrack supplied to wholesale shops exceeds that supplied to retail shops by nearly 700 gallons, a result the steadiness of which has yet to be tried.

12. I will now proceed to shew that the objection, *viz.*, that the measure will cause loss of revenue to Government, is tenable. Loss of revenue may be caused in three ways, *viz.*, by the demand becoming less, by smuggling cheap liquor, and by encouragement being given to illicit distillation.

13. It has been remarked previously that the consumption of liquor is greater near the centres of production. These being removed from Ságar and Siralkoppa will naturally lessen the demand, the rates at which liquor will then be sold at those localities becoming almost prohibitive.

14. Supposing the distillers' value of liquor at Shimoga to be a rupee per gallon, then, the rate at which liquor will probably be sold near Ságar will be four rupees per gallon as below :—

| | Rs. | As. | P. |
|---|---|---|---|
| Distillers' price .. .. .. | 1 | 0 | 0 |
| Still-head duty .. .. .. | 2 | 0 | 0 |
| Carriage, wastage, &c. .. .. .. | 0 | 4 | 0 |
| Wholesale vendors' profit .. .. .. | 0 | 6 | 0 |
| Relail vendors' profit .. .. .. | 0 | 6 | 0 |
| Total... | 4 | 0 | 0 |

15. The rate of still-head duty at which wholesale vendors now pay is 14 annas per gallon. The Chief Commissioner has lately increased the present still-head duty on arrack to 2 Rs. per gallon, and has ruled that it shall be an uniform rate. It is under discussion whether wholesale vendors are not liable to extra tax in the shape of increased still-head duty, and I have reason to believe that the uniform rate laid down by the Chief Commissioner is meant to apply to wholesale vendors also. If, however any concession is to be shewn to them, their proportionate rate of still-head duty will be Rs. 1—12—0 and this does not materially alter the proposition above laid down.

16. You have remarked in your letter No. 975, dated 17th February last, that "if liquor during the monsoons can be conveyed from Shimoga to Kavaledurga Taluk, which is a Malnad one, I cannot see what difficulties there can be in the case of Ságar." It is thus evident that you consider these places to be similarly circumstanced in point of carriage, and as the wholesale shop at Tirthahalli appears to have been a success, it is natural to expect similar results at Ságar. The difference between them however is this, that while Tirthahalli is comparatively remote from Her Majesty's borders and the carriage of liquor from Her Majesty's Territories is a task of considerable difficulty, Ságar is only 10 or 11 miles from the frontier where the contract system prevails and where liquor is sold at much cheaper rates than in our distilleries; an easy road connects Ságar with Siddapur and other places whence liquor can easily be brought in. This is not incredible, for while the drinking habits of men in that part of the country has remained the same, there has been an increase of revenue as already remarked in my memorandum, and this clearly leads to an inference of smuggling from the borders—moreover from personal enquiries made by me when I lately visited the Ságar Taluk I have reason to believe that arrack was actually smuggled into our Territories prior to the establishment of the Ságar distillery As remarked by you, the shop-keepers can be required to state from whence they bring their liquor, but it is not difficult for them to throw dust into the eyes of enquirers by getting small supplies from our distilleries to shew nominally that they get their legitimate supply and nothing else.

17. I may also add that the wholesale vendors who are expected to supply the place of distillers in the prevention of smuggling and illicit distillation have not got the same interest as the latter, who as a rule, take care to see that their produce is sold, while the former, with slight modifications, stand on the same footing as the retail vendors and are influenced by the same circumstances. In plain words if the retail and the wholesale vendors combine and make arrangements to smuggle arrack from the borders and allow a premium on illicit distillation, nothing would materially prevent them from doing so, and such a contingency is not an unlikely one.

18. These remarks apply with equal force to the Sirakoppa distillery, which is also situated a no greater distance from the borders.

19. Regarding the encouragement likely to be afforded to illicit distillation, I beg, with all deference to your remark, to observe that necessity, coupled with the prohibitive rates at which liquor will under the proposed arrangement have to be sold, will compel many, in places where cheap liquor cannot be got from the borders, to have recourse to the manufacture of rice-toddy "akki baja," notwithstanding the inferior quality of the drink. The poorer classes cannot give up drinking altogether, and, at the same time, cannot afford to pay high rates. The only alternative left to them are one or other of the two courses above indicated.

20. It remains only to be added that, though I admit the wisdom of the policy of placing restrictions on the supply of arrack and thereby reducing drinking habits to a minimum, I do not consider it advisable to forego a large portion of our revenue, merely to allow others to benefit at our expense.

21. The question of the difficulties of carriage is, in my opinion, of secondary importance. That these difficulties are deserving of consideration, there is no doubt; but they are not insurmountable A good road bridged all along joins Ságar with Shimoga, and the project of joining Shimoga to the Kumsi, Hannali road at Salnaga and of joining the latter to Harogoppa on the road to Shikarpur

hich is in the hands of the District Surveyor, and to which great attention is paid, will join Shikarpur nd Siralkoppa direct to Shimoga; at present carts with some difficulties pass on this road at all times f the year.

22. Information has been called for from the taluks regarding the number of cases of illicit distillation brought to light, and will be submitted as soon as it is received.

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From the Offg. Deputy Commissioner of the Kadur District, To the Offg. Commissioner of the Nagar Division, No. 94, dated Chikmagalur, 26th May 1874.

In reply to your letter No. 695 of the 3rd March last, calling for an opinion as to the possibility of abolishing any of the outlying distilleries in the District, I have the honor to submit the following remarks.

2. The number of distilleries in the District is certainly great for its area. The one at Tarikere especially distills the smallest quantity of arrack of all, and the cost of its establishment is proportionately heavy; a few applications have been received for opening additional stills, but what effect these would have had on the consumption of arrack it cannot be said, as it was not permitted. A wholesale shop might theoretically suffice for the local consumption, but I am informed that they were tried and found not to answer, though I can find no correspondence on the subject. The distillers have been sending in several petitions protesting against the step which is natural enough, but it mus tbe admitted that they have undergone some trouble and expense in setting up the present concerns. In order to remove these stills to the distillery at Chikmagalur which does not admit of any more stills, it will have to be enlarged, and some small addition will have to be made to the establishment, to compensate for the additional labor. Before incurring this additional cost and subjecting the Tarikere distillers to any loss, I would venture to submit that the expedient be tried of increasing the number of stills, at Tarikere on the understanding that it is to be tentative, and if the measure does not prove successful, then to abolish the distillery altogether.

As regards the Hariharpur distillery all the difficulties that exist in sending a supply of liquor into the Malnad are so fully enumerated in the letter under reply, that there is nothing left for me to add. The wholesale shop-keeper has to encounter all these difficulties until the communications in the Malnad are improved. As the date of this is not distant, I would beg to recommend that the Hariharpur distillery might be allowed to remain up to that time.

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From the Offg. Deputy Commissioner of the Chitaldroog District, To the Offg. Commissioner of the Nagar Division, No. 88, dated 5th May 1874.

With reference to your letter No. 654, dated 3rd March 1874, calling for my opinion as to the advisability or otherwise of abolishing tho sadar distillery at Harihar, I have the honor to reply as follows.

In the first place, I beg to state that the Chitaldroog distillery supplies all the taluks of the District except Harihar. The following table shews the amount of arrack sent to each taluk and the still-head duty realized thereon, in 1873—74.

| | | Quantity. Gallons. | Still-head duty. Rs. As. P. |
|---|---|---|---|
| Chitaldroog | Taluk | 2,523 | 2,523 0 0 |
| Davangere | do | 1,328 | 1,198 14 0 |
| Kankuppa | do | 337 | 301 0 0 |
| Molkálmuru | do | 1,195—20 | 1,046 1 0 |
| Dodéri | do | 162 | 162 0 0 |
| Pavagada | do | 443½ | 388 1 0 |
| Hosdurga | do | 183 | 183 0 0 |
| Hiriyur | do | 573 | 573 0 0 |
| Budihal | do | None. | ... ... ... |
| Harihar | do | 4,833 | 4,833 0 0 |

Thus during the year 6,375 Rs. still-head duty was collected from the Chitaldroog distillery, supplying nine taluks, while the Harihar distillery supplying on, taluk only realized Rs. 4,833, being near one-half of the whole quantity consumed in the District, and this is when there is no longer a Regimental at Harihar.

The reason for this, I take to be, that the liquor is taken across the river into Dharwar, or that he people of that country come across and drink in Harihar, as it seems impossible that such a quantity :an be consumed in such a small taluk as Harihar.

Doubtlessly more arrack is proportionally drunk there than in other taluks, owing to the absence of toddy.

The main point of course to be considered is, whether the closing of the Harihar distillery will prejudicially affect the revenue, and my opinion is that it will not, eventually, though doubtlessly at first the increased cost of carriage may affect it for a short time, as, if the number of stills in the Head Quarter distillery is raised, they will be able to turn out the required amount of liquor.

From Chitaldroog to Harihar is 48 miles along a bridged main road, and there is another good road running at right angles from the north to south end of the taluk, so that few parts of the taluk are at any distance from a road, as the taluk is a small one.

It is a mistake to say that Harihar is further than Pavagada, as from Chitaldroog to the latter kasba is 72 miles, and there is no road the greater part of the way, and an unbridged river intervenes, but then there is no comparison between the consumption in each taluk, as the still-head duty for Pavagada was Rs. 388—1—0, and for Harihar, Rs. 4,833.

I am informed that the rate of bandy-hire usually paid is Rs. $1\frac{1}{4}$ or Rs. $1\frac{1}{2}$ for every 12 miles. One bandy usually conveys a cask holding 60 gallons of arrack, each gallon containing 40 drams, the usual price of which is $1\frac{1}{2}$ anna.

It will be seen that the very highest rate for cart-hire would be only Rs. 5 or 6, while the quantity of liquor carried would be 60 gallons priced at Rs. 225, so that Rs. 5 added to that, I think, would not make much difference in the retail price.

There can be no doubt that the rate of bandy-hire would be easily reduced if the wholesale shop-keepers were to engage a number by the month, as they probably would do.

Under these circumstances therefore, (especially as Harihar will soon cease, I believe, to be a taluk) I think that the distillery there might be advantageously abolished, the requisite supply of liquor being kept up in several wholesale shops.

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From the Offg. Commissioner, Nagar Division, To the Offg. Secretary to the Chief Commissioner of Mysore, General Department, Genl. No. 219—Rev. 84, dated Shimoga, 3rd August 1874.

Adverting to the Proceedings and Order of the Chief Commissioner noted in the * margin directing the levy of a still-head duty of 2 Rs. per gallon on spirits of 19° under proof, I have the honor to bring to notice that no exception has been made in favor of wholesale vendors.

* No. 6953—62, dated 21st March 1874.

2. Under the rules circulated with your No. 2161—D. 364, dated the 10th August 1866, wholesale vendors of arrack were allowed a reduction on duty of 2 annas in the rupee, and the duty having been nowraised to 2 Rs., I consider that these vendors are entitled to a reduction of 4 annas. In anticipation of the sanction of the Chief Commissioner, I have directed the Deputy Commissioners to issue orders permitting wholesale vendors to remove liquor on payment of Rs. 1—12—0 per gallon, and beg to solicit his confirmation to the same.

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From the Offg. Commissioner, Nagar Division, To the Offg. Secretary to the Chief Commissioner of Mysore, General Department, Genl. No. 221—Rev. 85, dated Shimoga, 5th August 1874.

Adverting to the Chief Commissioner's Proceedings and Order, Circular No. 6953—Rev. 62, dated the 21st March last, and Notification of that date, directing the enhancement of the still-head duty on arrack to 2 Rs. a gallon from 1st July last, and that the standard strength of spirits to be issued should be 19° under proof, I have the honor to state that prior to the receipt of the above orders the retail shop licenses had been put up to sale in the 3 Districts subject to the condition of the payment of 1 Re. per gallon.

2. The enhanced rate having been brought into operation from 1st July last, there have been several representations made to me by wholesale and retail vendors that the new orders were

brought into force without previous notice, that the shops were purchased at the auction sale under the impression that no alteration would be made in the practice until the expiry of their licenses and that they will be put to great loss in consequence of the enhanced price of liquor and the smallness of the sales.

3. I have carefully considered the subject and have arrived at the conclusion under the circumstances brought to notice that the former rate of 1 Re. per gallon for spirits of 25° to 30° below proof had better be continued with reference to what may be considered as existing contracts, till the 31st March next, on which date the present licenses expire, and beg to solicit the Chief Commissioner's sanction to the same.

4. I beg to draw the attention of the Chief Commissioner to the existing practice prevailing in the Division, *viz.*, of selling both retail and wholesale licenses by auction and charging license fees on the shops in addition. Under this system the number of shops cannot be increased during the year if such a course appears necessary, and shops cannot be given up by the retail or wholesale dealers, inasmuch as they will have purchased the right of retail licenses sometimes at large bids during the auction, and further it prevents the still-head duty being raised during the year at the discretion of Government. I would therefore advocate that the sale of retail licenses be discontinued for the future, and the practice which obtains in Bangalore and elsewhere of charging monthly license fees on shops and levying a certain rate for each gallon sold in excess of a certain quantity be enforced.

5. The existing practice of annually selling wholesale shops by auction appears to be objectionable and I think this should also be put a stop to.

6. If necessary a fuller report can be written on the subject of the interior economy of the arrack management of the Districts ; the immediate object of this reference being to request orders to discontinue levying the extra still-head duty until the end of the year.

7. The favor of an early answer is requested.

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From the Offg. Commissioner, Nagar Division, To Offg. Secretary to the Chief Commissioner of Mysore, General Department, Genl. No. 249—G. 109, dated 15th August 1874.

Your memo No. 3367—62, dated 3rd instant, forwarding for report a petition from the license holders of the Ságar and Anantapur Taluks.

In returning the petition, begs to refer to this Office letter No. 221—85, dated 5th instant, on the subject.

2. As regards the abolition of the outlying distilleries, vested interests have probably something to do with the present complaint, enhanced doubtless by wholesale shops having hitherto been put up to auction which is not considered desirable, and in lieu thereof it is proposed to allow distillers to open wholesale shops at certain convenient localities upon payment of a small license fee as is the case at Bangalore.

3. The Offg. Commissioner is not prepared at present to speak with certainty on the point, but he is inclined to think that liquor to be issued and consumed at 19° below proof will be too strong and probably too dear and that it will be better to reduce the strength say to 25° or 30° below proof, making proportionate abatement in the rate of still-head duty, *viz.*, Rs. 2 *i. e.*, from next year.

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No. 5063—Rev. 87, dated Bangalore, 12th October 1874.

Order thereon.—The first main question mooted in this correspondence is the abolition of the out-lying distilleries at the places noted in the magin.

1. Harihar.
2. Ságar.
3. Siralkoppa.
4. Tarikere.

The Chief Commissioner on a careful consideration of the subject entirely concurs in the grounds on which such abolition is advocated by the Officiating Commissioner, and is satisfied that the measure is a proper and desirable one, but it will be convenient that its adoption be deferred till the end of the current financial year, *viz.*, 31st March 1875, to admit of ample time being allowed to the distillers concerned to make such arrangements as are needed to provide for their own interests. On and from that date, the sadar distilleries at Harihar, Siralkoppa and Tarikere will be closed, their places being supplied by wholesale shops from which liquor will be issued to the retail vendors.

The abolition of the sadar distillery at Ságar will however remain in abeyance for the present, and the Officer in charge of that sub-division will make it his special duty to see that the sadar distillery rules are duly enforced in that Distillery and that no smuggling therefrom is permitted.

On the abolition of the sadar distilleries named above, the distillers holding stills in them will be permitted to transfer them to the sadar distilleries at Shimoga, Chikmagalur and Chitaldroog respectively, and any enlargement to the sadar distillery enclosures at those places that may in consequence be necessary will be provided at the cost of Government, the interior buildings required by the distillers however being constructed at their own charge.

2. The Officiating Commissioner next recommends the continuance to wholesale shops of the remission on the still-head duty of 2 annas in the rupee authorized in the orders on this head, dated 25th November 1867, No. 4804—58.

It appears to the Chief Commissioner that the establishment of wholesale shops at the places where the abolished sadar distilleries have hitherto been located, is necessary and should be encouraged to ensure a due supply of spirits being stored there for issue as may be required to retail vendors. But wholesale shops are not needed in the neighbourhood of existing sadar distilleries and should be strictly limited to places at a distance therefrom where they are clearly required for the above purpose.

Where such shops are sanctioned, the remission of 2 annas in the rupee leviable as still-head duty will continue to be conceded on all quantities in excess of 20 gallons taken by them from the sadar distillery, such remission being subject to revision hereafter if thought necessary by Government.

Wholesale vendors should be required to take out a license (of which a draft form is annexed) by which they shall be bound always to keep on hand a minimum quantity of spirits for sale to retail vendors at a fixed rate, which shall not exceed 2 annas per gallon on the price at which the same are issued from the sadar distillery. The license fee for the wholesale vend of spirits will for the present be Rs. 2 per quarter.

3. The third proposal of the Officiating Commissioner is that the old rates of still head duty in the Nagar Division may be continued till the end of the current year, and the standard of the strength, *viz.*, from 25° to 30° below proof heretofore in force retained in the sadar distilleries of the said Division.

The grounds on which the retention of the old rates of duty is advocated by the Officiating Commissioner are not, in Sir Richard Meade's opinion, clear or conclusive, as there is no real connection between the rate of still-head duty and the sale of retail license retail vendors being in no way tied down to any fixed scale of prices. But to prevent any ground for complaint to the retail vendors in Nagar, who have bought their license at auction at enhanced rates, the enforcement of the new still-head duty in that Division will be deferred till 1st January 1875, when it will come into full operation.

The standard of proof fixed in the order of 21st March 1874, No. 6953—62, was adopted after due consideration, and no departure from it can be authorized.

4. With regard to the Officiating Commissioner's proposal to abolish the system which obtains in the Nagar Division of putting up the licenses for the retail vend of arrack to competition, and in lieu thereof to issue them, as in Bangalore, merely for the ordinary license fees, the Chief Commissioner is not prepared to make any change in the existing practice on this head, and it will not be disturbed. Licenses for the wholesale vend of arrack should, however, be issued only to selected parties and without compe-

5. The above orders dispose of the main points raised in the correspondence under review, but there are others incidentally referred to that require notice here.

6. The fears expressed by the Deputy Commissioner of Shimoga that the adoption of the measures under consideration may result in encouraging (1) the practice of smuggling liquor by individuals, and even retail vendors, from the adjoining Districts of the Madras Presidency, and (2) the illicit manufacture of spirit from rice within his District for local consumption, must be adequately guarded against by the adoption of more efficient and active measures to prevent such breaches of the abkari regulations in force in the Province. On this subject a separate order is under issue. The comparative cheapness of liquor across the frontier may and no doubt will tempt Mysore ryots residing near the frontier to cross it and drink at the shops on the other side, and for this the only possible remedy appears to lie in the adoption of a mutual arrangement for the suppression of all liquor shops on either side within two miles of the frontier. The Commissioner however will be so good as to submit his views on this point.

But the attempted smuggling of liquor across the frontier and its illicit manufacture within Mysore limits are matters which must be faced by the Mysore Revenue Officers, who are responsible for the suppression of such illegal acts and who possess ample powers to effect that object.

As regards the retail vendors, a proper supervision of their shops and business would render it impossible for them to practice successfully any extensive frauds on the revenue of the nature described, without certain detection, and it is the duty of Deputy Commissioners to satisfy themselves that such supervision is adequately exercised.

7. The remarks of the Deputy Commissioner of Shimoga appear to imply that he regards the duties of Deputy Commissioners and Amildars in connection with the sadar distilleries at their Head Quarters as a somewhat perfunctory and irresponsible character; and it seems to be necessary therefore to state here distinctly that such is by no means the case. It is the special duty of these Officers to keep at all times a close and watchful eye on the management and proceedings of these institutions, and to take constant measures to detect any evasion of the rules in force, and to satisfy themselves that the ... kept up to. The subject is one of very high importance, and the Government expects that every Deputy Commissioner will exert himself to ensure a strict adherence to the sadar distillery regulations. The supervising establishment is not, it has been alleged, as efficient and trustworthy as it ought to be, and a general revision of it may be necessary; but however this may be, it seems to Sir Richard Meade that a very grave reflection on District Officers is involved in the opinion broached by the Deputy Commissioner of Shimoga that there can be and is no greater control over the management of a sadar distillery at District Head Quarters than over that of one in an outlying taluk; and if such an impression obtains in the Shimoga District, the Chief Commissioner must beg that Lieutenant-Colonel Bruce will at once take the most active steps for its removal. Where the situation of the sadar distillery renders such supervision by the District Officer difficult and uncertain, the question of its removal to a more convenient site for this purpose should be taken into consideration, for the Chief Commissioner will on no account suffer the evasion of this important duty of watchful supervision on any score.

H. WELLESLEY,
*Offg. Secretary.*

To—The Commissioner, Nagar. 10 ek e
" " Offg. Dy. Commissioner, Shimoga. 5
" " Commissioners, Nundydroog and Ashtagram. 10 each

1874.

GOVERNMENT OF MYSORE.

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To

THE COMMISSIONER, NAGAR DIVISION.

Dated October 10th.
Despatched
Received

No. 5063.
Rev. 87.

*Abolition of certain distilleries in the Nagar Division.* Conveying Chief Commissioner's instructions on the subject.